

A RESOLUTION 2007-11-01-0017R

APPROVING THE FISCAL YEAR 2008 PROPOSED ANNUAL AUDIT PLAN.

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WHEREAS, in accordance with the provisions of Article VA of the City Charter, Pete M. Gonzales, Jr., has been appointed and is serving as the City's Internal Auditor; and

WHEREAS, with input from elected officials and the City Manager's Office, and based on a risk assessment by the Department of Internal Audit, the Internal Auditor has prepared his Fiscal Year 2008 Proposed Annual Audit Plan (the "Plan"); and

WHEREAS, the Plan has been presented to and reviewed and approved by the Audit Subcommittee of the City Council; and

WHEREAS, the Plan has also been presented to and reviewed and approved by the Governance Committee of the City Council, with the recommendation that the Plan be presented to the City Council for approval; and

WHEREAS, upon review and consideration of the Plan, the City Council is of the opinion that it should be approved as presented; **NOW, THEREFORE**;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Fiscal Year 2008 Proposed Annual Audit Plan (the "Plan"), as prepared by the Internal Auditor, and as heretofore approved by the Audit Subcommittee and Governance Committee of the City Council, is hereby approved by the City Council in all things. A copy of the Plan is attached hereto and incorporated herein by reference for all purposes as Attachment I.

SECTION 2. The Internal Auditor is hereby authorized at any time during Fiscal Year 2008 to make any and all adjustments to the Plan he deems necessary and appropriate in his sole discretion in order to accommodate any emergency or urgent audit requests, without further action by the City Council.


SECTION 3. This Resolution is effective immediately, upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND APPROVED this 1ST day of November, 2007.

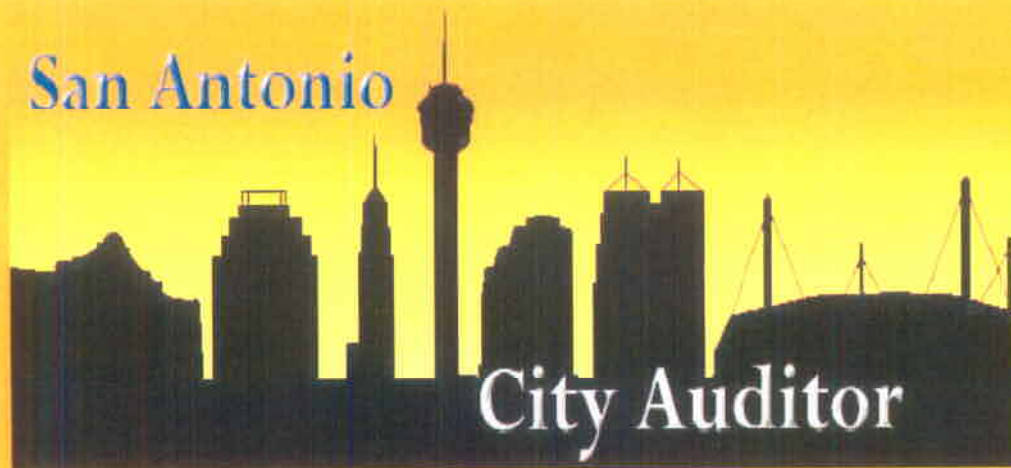

M A Y O R
PHIL HARDBERGER

ATTEST: 
City Clerk

APPROVED AS TO FORM:


City Attorney

A T T A C H M E N T I



**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

Fiscal Year 2008 PROPOSED AUDIT PLAN

**FOR THE
Mayor and City Council**

November 1, 2007



August 31, 2007


For: The City of San Antonio Audit Subcommittee

Subject: Fiscal Year (FY) 2008 Proposed Audit Plan

Enclosed is the proposed audit plan for FY 2008. This plan is based on requests from elected officials and the City Manager's Office and based on a risk assessment from the Office of the City Auditor.

The plan is divided into two sections. The first section, Enclosure A, is a listing of audits that began in FY 2007, which will be completed during FY 2008. The second section, Enclosure B, is a list of proposed audits that will be performed during FY 2008. We classified the audits in broad categories to provide coverage of a wide range of city programs and functions identifying city manager's requested audits with an asterisk. Within each category we prioritized the individual audits. We anticipate starting 12 to 15 top priority audits during FY 2008 and will initiate the remaining requested audits in FY 2009. In the event we receive urgent audit requests during FY 2008 the audit plan will be adjusted accordingly.

We request the Chairperson of the Audit Subcommittee either approve the plan in its current state or approve it with changes. Recommended changes may be annotated on the approval form, Enclosure C.


Pete M. Gonzales, Jr., CPA, CFE
City Auditor

**Office of the City Auditor
Audits in Process**

Enclosure A

	Departments	Key Audit Objectives
1	Planning & Community Development Department	<ul style="list-style-type: none">• Are annexation processes compliant with Texas Local Government Code requirements and are annexed properties placed on the City's tax roles in a timely manner?• Is the Historic Preservation Tax Incentive Program appropriately administered?
2	<ul style="list-style-type: none">• Finance Department• Purchasing Department	<ul style="list-style-type: none">• Is the Procurement to Pay Process functioning as intended?• Are changes made to material master and vendor master valid, complete, accurate, and timely?
3	Public Works - San Antonio River Authority (SARA)	<ul style="list-style-type: none">• Is SARA complying with the Interlocal Agreement for the San Antonio River Improvement Project and the Regional Flood Control Management Project?• Are cost estimates provided by SARA for the San Antonio River Improvement Project reasonable? Was a sound professional cost estimate methodology utilized?• Is SARA effectively financially managing and administering the San Antonio River Improvement Project and Regional Flood Control Management Program?

**Office of the City Auditor
Audits in Process**

**Enclosure A
(continued)**

	Departments	Key Audit Objectives
4	Public Works	<ul style="list-style-type: none"> • Are the project files maintained in compliance with COSA Contracting Policy and Process Manual? • Are change orders approved by the proper authority, within the 25% threshold, and not split to circumvent City Council approval? • Are contractors and subcontractors in compliance with wage and hour requirements? • Are invoices submitted by the contractor properly approved for payment, adequately supported, and accurately invoiced? • Are there indicators that bids from contractors are not fair and reasonable?
5	Human Resources - Benefits	Are controls in place that ensure employee benefit selections are accurately and timely processed into SAP, uploaded to the third party administrator (TPA) and administered correctly?
*6	San Antonio Police Department - UCR Reporting	<ul style="list-style-type: none"> • Are UCR reported homicide statistics for the period January 2006 through June 2007 accurate, complete, timely, and in compliance with the FBI's UCR Handbook (Revised 2004)? • Are all other Part I UCR (i.e. non-homicide) data for the period January 2006 through June 2007 accurate, complete, timely, and in compliance with the FBI's UCR Handbook (Revised 2004)? • Determine how three different sets of homicide statistics were reported to the San Antonio Express News

**Office of the City Auditor
Audits in Process**

**Enclosure A
(continued)**

	Departments	Key Audit Objectives
7	Aviation	Were contracted for construction services paid according to contract terms and at bid prices?
8	Asset Management	<ul style="list-style-type: none">• Is the City receiving a fair market rental rate for properties it leases to others?• Does the City incur excessive costs in maintaining properties it leases to others?• Does the City pay a fair market value for properties it leases from others?
9	Finance Department	<ul style="list-style-type: none">• Has the Hotel Occupancy Tax (HOT) Collections Process Been Successfully Implemented?• Have the Recommendations from the Prior HOT Audit Been Implemented?
10	Health Department	Is the Health Department adequately and accurately assessing, collecting, and reporting service fees?

**Office of the City Auditor
Proposed Audits**

Enclosure B

	Departments	Key Audit Objectives
A. Contract Compliance Audits		
*1	Aviation Department	Is Aviation in compliance with all applicable rules and regulations for their construction contracts?
*2	Convention, Sports, & Entertainment Facilities Department	Are contractors complying with Convention, Sports, & Entertainment Facilities Department's electrical work contract?
3	All Departments	Do the City's template contract clauses adequately protect the City's interest and liquidate damages as appropriate?
*4	All Departments	Is the City appropriately utilizing and in compliance with Interlocal agreements with other governmental entities (such as Bexar County)?
*5	Department: Convention, Sports, and Entertainment Facilities (ARAMARK Contract):	<ul style="list-style-type: none"> • Are adequate internal controls in place to ensure that critical aspects of the ARAMARK agreement are monitored appropriately? • Are ARAMARK commission payments submitted to the City accurate and timely?
*6	Health Department	Is the Health Department in compliance with Federal Immunization Grants, including the Office of Management and Budget Cost principles?
*7	Finance Department	<ul style="list-style-type: none"> • Are vendors in compliance with City contracts? • Are adequate controls in place to ensure compliance and hold violators accountable for noncompliance?

**Office of the City Auditor
Proposed Audits**

**Enclosure B
(continued)**

	Departments	Key Audit Objectives
*8	Health Department	Is the Health Department in compliance with Steps Grant program requirements?
*9	Aviation Department	Are Aviation's Concession Agreements working as intended (car rental, shuttle, food/beverage, retail, etc.)?
B. Revenue Contract Audits		
*1	Environmental Services Department	Is CPS appropriately calculating, collecting, and reporting solid waste fees being assessed in customers' energy bills?
*2	Downtown Operations Department	<ul style="list-style-type: none"> • Is Downtown Operations Department properly monitoring revenue contracts? • Are contractors complying with Downtown Operations revenue contract (agreement)?
C. Cash Collections Audits		
*1	<ul style="list-style-type: none"> • Asset Management Department • Convention, Sports & Entertainment Facilities Department • Aviation Department 	<ul style="list-style-type: none"> • Are adequate cash handling controls in place for revenue receipts? • Have any previous audit and review recommendations been successfully implemented?
2	All Departments' Billing and Collection Practices	<ul style="list-style-type: none"> • Does the Department properly bill, collect, and account for revenue? • Is the delinquent account collection process working effectively?
3	Municipal Courts	Are fines and fees assessed and collected according to applicable local and state mandatory levels?

**Office of the City Auditor
Proposed Audits**

**Enclosure B
(continued)**

	Departments	Key Audit Objectives
*4	Asset Management Department	Are adequate controls in place for special event revenue receipts at the International Center?
D. Revenue Generating Audits –Non Contracts		
*1	All Departments	Is the City recovering all appropriate costs for usage fees?
*2	All Departments	Is the City maximizing revenue (reimbursement) opportunities by charging all allowable indirect expenses (costs) to eligible grant programs?
*3	Development Services Department	Are adequate controls in place to ensure that Hansen and the Dynamic Portal are assessing fees in accordance with the department's fee schedule?
E. Follow-up Audits		
*1	Finance Department	Has Finance successfully implemented all previous audit recommendations regarding grants administration?
*2	Office of Cultural Affairs	Have all previous audit recommendations been successfully implemented?
F. Purchase Card Audits		
*1	All Departments	<ul style="list-style-type: none"> • Are current controls over purchase card and petty cash transactions adequate? • Is there any past or present misapplication of City equipment (car, computer, printers, copiers, etc.)?

**Office of the City Auditor
Proposed Audits**

**Enclosure B
(continued)**

	Departments	Key Audit Objectives
G. Community Initiatives Audits		
*1	Department of Community Initiatives	Are the terms and agreements in the Comprehensive Nutrition Program (CNP) being properly followed?
*2	Department of Community Initiatives	<ul style="list-style-type: none"> • Is the Supportive Services for the Elderly Program (SSEP) operating efficiently and effectively as compared to VIA or other benchmark programs? • Is it more cost-effective for the City to administer the SSEP in-house or to outsource?
3	Community Initiatives - Senior Services Division – Senior Meal Program	<ul style="list-style-type: none"> • Are program goals and objectives being achieved for the Senior Meal Program? • Is the contractor for the Senior Meal Program complying with existing contract terms? • Is the Senior Meal Program communication outreach program effectively providing notification of this service to eligible senior citizens?
*4	Housing and Neighborhood Services	Is Housing and Neighborhood Services in compliance with all applicable rules and regulations for: Owner Occupied Rehabilitation (OOR), Tax Increment Financing (TIF), and Lead-based Paint programs?
H. San Antonio Police Department (SAPD) Requested Audits		
*1	SAPD	Is the vender fully complying with SAPD's wrecker service contract?

**Office of the City Auditor
Proposed Audits**

**Enclosure B
(continued)**

	Departments	Key Audit Objectives
I. Miscellaneous Audits		
*1	Fleet Maintenance & Operations Department	Are fuel usage and payments for <i>\$10 million commodity with 11 fueling sites</i> being accurately recorded?
*2	Development Services Department (Citywide-departments not using SAP as their point of sale system)	<ul style="list-style-type: none"> • Are IT system controls in place to ensure that revenue reconciliation, including data feeds from Hansen to MARR to SAP (to include collections versus bank deposits) are properly performed? • Are refunds relating to platting activity including handling of Performance Bonds and Letters of Credit being handled properly?
3	Software Asset Management	Does ITSD manage its software assets in a manner that minimizes licensing and maintenance costs?
*4	Economic Development Department	<ul style="list-style-type: none"> • Are the Workforce Development Program's performance, controls, and RFP processes working as intended in the mist of transitioning from Department of Community Initiatives? • Are the South Texas Regional Certification Agency performance and controls functioning as intended?
*5	International Affairs Department – Casa San Antonio Program, Mexico City, Monterrey and Guadalajara.	<ul style="list-style-type: none"> • Are adequate fiscal and internal controls in place to ensure accurate and effective record-keeping, cash handling, and balancing of accounts? • Is there material value in media reports prepared by outside agencies on the City of San Antonio and/or the CASAs?

